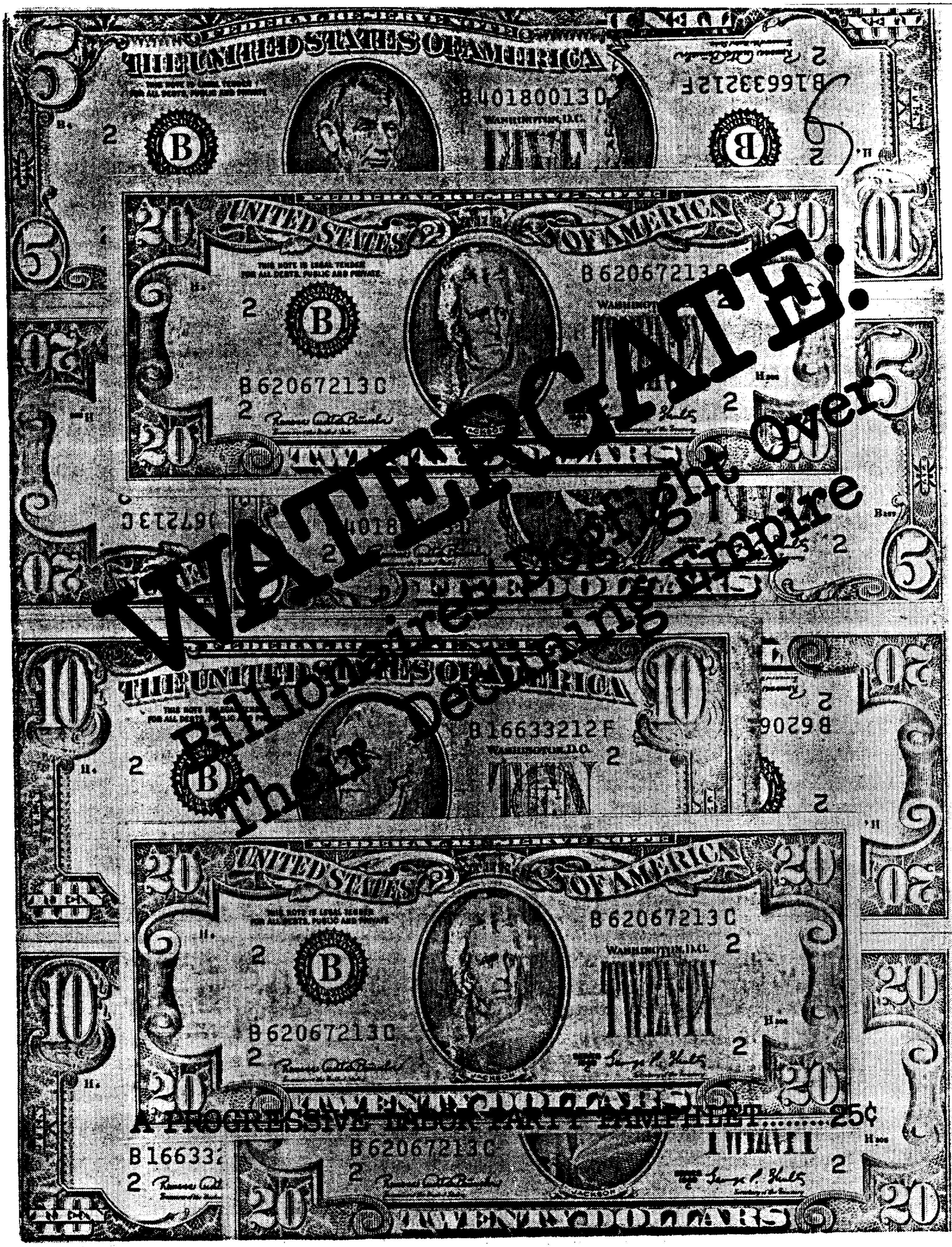


WATERGATE:

Billionaires Fight Over Their Declining Empire

A PROGRESSIVE LABOR PARTY PAMPHLET........25¢

EDITORIAL

Watergate: Old Billionaires Knife New-Panic Over Sick Economy

May 21, 1973

Nixon's a crook—sure! His aides a bunch of assassins and thieves—sure! The White House Gestapo a bunch of inept bunglers—sure! But after saying all this, you still don't have much insight into the Watergate affair. And this knowledge alone doesn't enable workers and their allies to capitalize on the situation.

THE AFOREMENTIONED IDEAS ARE THOSE of the New York **Times** and other spokesmen for the bosses. So if this is what they are telling us, we better look around some more. Their line can't possibly be ours.

We should try to understand who is fighting whom; why they are fighting; and what it all means for us.

During the last dozen or so years, U.S. presidents haven't been doing too well. Kennedy was assassinated. Lyndon Johnson was driven from office by the anti-war movement and the black rebellions. Now Nixon is getting his come-uppance. There is a possibility he may be impeached. The political affairs of the U.S. are beginning to look like those of small countries over which U.S. imperialism has imposed its power. What has been happening in this period to account for the growing instability of the U.S. state apparatus (i.e. the government)?

U.S. BOSSES LOSING GROUND

BASICALLY, THE U.S. ECONOMY IS GROWING more and more unstable, and U.S. rulers are unable to achieve their post-World War II dream of absolute world supremacy.

The war in Vietnam drove home U.S. bosses' growing impotence in the face of pressure. It indicated they could be taken if confronted with a serious revolutionary movement. On the economic front, the dollar is growing more unstable. Two serious devaluations, only months apart, prove this. Raging inflation continues unabated. A third devaluation is around the corner. Obviously Nixon and his White House Gestapo don't have the handle on the economy and other important questions. In an attempt to deal with the further economic decline of U.S. capitalism, Nixon and Co. have resorted to more brazen giveaways to big business and to further budget cuts. These cuts take away concession after concession won by the workers. Nixon has reshaped the administrative functioning of the White House. This change is not simply the reflection of a secretive personal or psychological style ascribed to him by various bourgeois pundits. These changes have also been called an autocratic power-grab. But the basic factor is that his foundering administration requires instant shifting to

N.Y. Times, 5/20/73

By C. L. Sulzberger

Historians looking back on the 1963-1973 decade, starting with the assassination of President Kennedy and featuring the murders of his brother and Dr. King and the shooting of Governor Wallace, may perhaps perceive a pattern connecting the chain of disturbances finally punctuated by the Watergate mess.

Is it too much to say that the succession of American tragedies came when an American dream began to vanish? As the United States dimly became aware that the American century forecast after World War II was both a misjudgment and a misnomer, the emotional American people turned their disappointed dream into a nightmare.

The thought that a Pax Americana would be supported for any appreciable period of time proved delusory. The country's diplomatic commitments were overextended by pactomania. The country's military establishment was overextended in terms of what people were ready to accept. The country's generosity was overextended in terms of foreign aid. One consequence was that the dollar, which had become a token even more important than gold, was immensely overvalued.

U.S. plans for world domination dashed.

deal with one debacle after another.

No sooner does he say no to wage-price controls—presto: wage-price controls. The instant he says no to devaluation—poof: devaluation. He adheres to the concept of "laissez-faire," then tells Congress the budget can't exceed a certain amount. One could go on and on about his flip-flops. Suffice it to say these instant changes and reversals of policy require absolute control over the administrative process, thus obliterating the impression that other government agencies (like Congress and the Cabinet) have power.

PRESIDENCY: CAPITALIST DICTATORSHIP

SINCE THE INCEPTION OF THE CAPITALIST state in our country, the bosses have gone to great length to conceal the fact that the presidency is really a dictatorship of **their** class. One way they do this is through the illusion of "checks and balances." The Congress and courts are said to have power of restraint and control over the presidency. All Nixon has done is speed up the process of exposing the main source of political power. This process took on a clearer pattern during the FDR administration, when Presidential aides like Harry Hopkins emerged as the real power brokers. All these forces could be traced to big business interests. The Nixon administration has given the population an object lesson in who controls the state in a capitalist country. Marx, Engels, Lenin et al. always said this. The Nixon gestapo has driven the lesson home.

Now if the Nixon crew can't cope with the economy and other important matters, then it is only fair to assume that other sections of the ruling class are unhappy. They are moving to do something about this. Well, whom does the Nixon gestapo represent in the ruling class? Since World War II, a good deal of new industrial wealth has emerged in this country. These new economic bosses are the stepchildren of the old "robber barons." We think of wealth in this country in terms of names like Rockefeller, Morgan, Mellon, Dupont, etc. This is certainly true. But the bastard offspring come from the new electronic, aerospace, natural gas, large real estate, and some of the oil interests, among others. Much of their wealth is financed and even controlled by old money. But, as in every parent-child relationship, there is a d e s i r e for independence. In this case, the new money is out to achieve parity with the old and then to supersede it.

For some time now these newer forces have been seeking foothold on the state apparatus. If they control the state, they will have leverage to achieve economic supremacy. This is the way it seems to work in the Nixon cabal: Ehrlichman is a lawyer and politician for California big business. Haldeman comes from a California advertising firm. Claude Briniegar is a California oil executive. Dent is a South Carolina textile magnate. Kleindienst represents Arizona industry. Casper Weinberger is a Regan assistant from California. George Bush is a Texas oil company boss. Janet Johnson is a California rancher. Ronald Ziegler is California's PR man for big industry. William Clements is an oil man. Robert Long is a California Bank of America executive, etc. etc.

N.Y. Times, 5/14/73

By Anthony Lewis

Here again there is no occasion for hope. The personnel changes so far have been reshuffles of the old deck; the test has been loyalty to Mr. Nixon. The hasty insertion of John Connally as an unpaid White House adviser is especially interesting — a Nixon move not to the old Republicans or to eminent nonpartisan figures but to his natural constituency: the new money, oil, aerospace, the South.

This is what it's all about.

NIXON'S 'STRATEGY' EXPLAINED

NIXON'S "SOUTHERN STRATEGY" REALLY means bringing big business forces from the southwestern part of the country and the south into the government at a fast clip. These areas have dramatically expanded in industry and population since the end of World War II. This strategy was laid bare by Nixon's unsuccessful attempts to name Carswell and Haynesworth (both southerners) to the Supreme Court. Later he named Rehnquist, also from the south.

Generally, the big bourgeoisie like Rockefeller went along with this. It was a token attempt at class unity. The basic ideas of the two groups were essentially the same. However, Rockefeller kept his hand on the foreign policy controls by having Henry Kissinger as Nixon's foreign policy arm. In addition, the eastern establishment had Wall St. lawyer Mitchell and his errand boy Dean in Attorney General's office and as the President's private counsel. So it's really no coincidence that Mitchell and Dean are at odds with Haldeman and Ehrlichman.

The press takes note of the two factions, Mitchell-Dean vs. Halderman-Ehrlichman. But they don't indicate the economic basis for this factional strife. This explains Nixon's whitewash of Ehrlichman and Haldeman and his attack on Dean. It also clarifies Dean's "betrayal." It is furthermore widely known that Kissinger isn't exactly loved by Ehrlichman and Haldeman. It is claimed they have been trying to dump him from his important foreign policymaking post.

OLD MONEY SWAMPING NEW

BRIEFLY, THE FIGHT TAKING PLACE IN THE ruling class over the carcass of the Nixon gestapo is between old money and new. The more entrenched, infinitely more powerful eastern bosses are unhappy about the way Nixon is running the economy. They realize his policies have been a total fiasco. And they are distressed about the way in which he is ripping off the "democratic" mask of the state. They feel the economy can be brought under control and that the trappings of democracy can be

preserved. Finally, they are concerned that if Nixon goes too far and too fast with his attacks on the working class, he will provoke sharper class struggle in turn leading to more revolutionary consciousness among workers. The spectre of black rebellions, local strikes, and general strikes still haunts them. They want to avoid this at all costs, unless absolutely necessary.

This begins to explain why the N.Y. Times, Newsweek, the Washington Post, Time magazine, and the TV networks are going after Nixon without letup. The media are owned by the eastern establishment. It also explains why Nixon and Agnew sought unsuccessfully to gag them. It is of interest that this lineup of the press and many forces in Congress crosses "liberal" and "conservative" lines. Time magazine is a Luce publication never noted for liberal views. In the Senate, you have the spectacle of Javits and Buckley joining hands to demand an impartial investigator for Watergate. This is a slap in the face to the Nixon gestapo. It shows growing unity between liberals and conservatives allied with old or eastern money.

NIXON'S WINGS CLIPPED

IT SHOULD BE CLEAR BY NOW THAT THEY have clipped Nixon's wings. In time, new appointments and policies will emerge to reflect these differences.

The tide is turning. Old money is again taking over important political positions. Nixon has been forced to make Elliot Richardson, an old-time Boston lawyer, his Attorney General and Alexander Haig, Kissinger's aide-de-camp for the last three years, is the White House Chief of Staff.

For example, more stringent wage-price controls are on the horizon. The big bosses are dissatisfied with Nixon's Phase 3. Within the mass movement, the case of the United Farm Workers, led by Chavez, and the Teamsters' raid on their turf is a small indication of how this division appears from below. It should be noted that Hoffa's release from prison (he was put there by the Kennedy boys) was engineered by Murray Chotiner, Nixon's politico. The old money likes to keep a few more liberals around in the mass movement to strengthen illusions about the possibility of real change within the system. Most of the old money is unhappy about Nixon's continued policy of bombing and war in southeast Asia. They feel it is unnecessary and too costly. They would be just as happy to see their investments taken care of by the boys in Hanoi. This has become relatively clear through the actions of Kissinger, who was the architect of the Peking-Moscow-Washington love-match. His bosses Rockefeller et al. would be just as happy if the love-match started up with Hanoi were consummated once and for all. The lover's pique shown by Nixon is unwarranted and unnecessary. Serious business is at hand, and Nixon's pouting is getting in the way. It is necessary to quiet down the economy in the coming period. In order to give it some sort of stability there must be tighter relations with once-socialist countries and all their allies. The tail-end of the Nixon Vietnam

Editorial **Business Week**

An urgent plea for new economic policy—now

Absorbed with Watergate and stubbornly hoping that the situation will right itself, the Administration has lost its grip on the economy. The President's advisers are clutching at scraps of favorable news and ignoring the evidence that their economic policies are not working.

N.Y. Times, 5/21/73

Avoiding Boom-Bust

The most immediate need is for a tougher wage-price policy. Secretary of the Treasury Shultz has sought to describe Phase 3 as essentially little different from Phase 2 controls except in one respect. It is voluntary, he says —"like the Federal income tax." If such is the case, let the Government administer Phase 3 controls as assiduously as the Internal Revenue Service administers the "voluntary" income tax. Instead, Administration spokesmen keep declaring that the nation is headed for decontrol next year if business and labor will only behave moderately.

There is an alternative to standing pat and letting the economy rush ahead into disaster. It consists of a combination of new, tough wage-price controls and strict fiscal and monetary discipline. It is a painful answer, and it involves some risk. But it is the course the Administration should take.

The first step should be to scrap Phase III and go back to wage-price controls at least as tough as Phase II and considerably broader in scope. Price controls should apply to all farm and food products—not just at retail but far enough back down the line of distribution and production to put effective pressure on prices at the point of first sale. The rules on passing through cost increases should be tightened. The merry game of taking a markup for profit on cost increases should stop.

With the new controls must go a strict program of enforcement.

Economy in a shambles —
Nixon foes think they can do better

N.Y. Times, 5/20/73

U.S. Companies and Soviet Discuss a Vast Gas Line

By EVERETT R. HOLLES
Special to The New York Times

LOS ANGELES, May 20—Dr. Armand Hammer, chairman of the Occidental Petroleum Corporation, is negotiating a "massive" new pipeline deal with the Soviet Union that, he says, could be twice as big as the estimated $7-billion or $8-billion transaction in chemical fertilizers that he signed in Moscow last month.

N.Y. Times, 5/21/73

Hammer's Kremlin Connection

Business is business.

By EVERETT R. HOLLES

LOS ANGELES—For Armand Hammer, 74-year-old head of the Occidental Petroleum Corporation, the Soviet Union has been a capitalist's paradise for a half century, rich in profits for a shrewd trader with the right connections in the Kremlin.

The gold rush trail he blazed back in 1921 with an Army surplus mobile hospital and a new medical diploma from Columbia University is being followed these days by droves of American businessmen, all eager to cash in on the economic agreement between the United States and the Soviet Union.

THE NEW YORK TIMES, MONDAY, MAY 21, 1973

Brezhnev Affirms His Washington Date

Says Watergate Affair Doesn't Change Plan for June 18 Visit

policy is an obstacle to this.

These are some of the things they are fighting about. The fight is important to both sides. Each one sees billions in profits for its own position. Profits are the ultimate morality of all businessmen. When it comes to a fight over how to make more, they are virtually as ruthless with one another as they are with workers. Ask the late JFK!

IT'S BIGGER THAN WATERGATE

WATERGATE ISN'T A THING UNTO ITSELF. IT was simply used as a convenient battleground by the eastern money to attack the new boys. The fight had been developing for some time. Watergate was Nixon's soft underbelly. However, without Watergate, something else would surely have come up. Watergate is incidental to the battle. In addition, the old money is making hay of the new bosses' greater reliance on the open gangster element in securing profits and power. (Vesco gave $200,000 to the Nixon campaign. The manner of giving was illegal. Vesco and others have always been involved in "shady" deals with Nixon. A grand jury recently indicted him for failing to come to hearings.) While they too make use of these elements, Vesco and others like him are more vulnerable at the moment. Now that all stops have been pulled, scandal is a

good tactic to use.

A tangential but key aspect of the Watergate matter is the growing cynicism of the people. We are treated to the buffoonery of the Nixon crew courtesy of the New York Times etc. If not told, we wouldn't be particularly aware of these matters. These media organs can control the news. We all know how they suppress or distort news for their purposes. It is their purpose now to expose Nixon. We all get pleasure from receiving this information. Watching this gang of thieves at one another's throats is fun. The sight of Nixon the "law and order" man getting caught red-handed with his lies and crimes twice a day is great. But we should understand that the Times etc. aren't doing it for us. They are doing it to secure their class interests. So, the main question isn't whether he knew or didn't know. Of course, he knew. But this is secondary to the political issues and struggles at hand.

AN ANTI-NIXON BOSS: A BOSS

VARIOUS OPPORTUNISTS ON THE LEFT ARE trying to portray the anti-Nixon forces in the ruling class as heroes. As usual, they are trying to create the illusion of "good" and "bad" bosses. They portray this as a struggle between fascists and anti-fascists. Nothing is further from the truth. The objective situation is a ways removed from requiring fascism. Contradictions are sharper, but internally, and even externally, the rulers' power is not seriously threatened. Mass terror and extermination aren't in the cards—for now. Bosses—all bosses—act for their interests, never for ours. When these ruling class forces fall out among each other, we should never rely on them for progress. Reforms and revolution can come only from fighting all of them. Growing cynicism about the system is justified. The bosses are growing weaker! It's not likely that any policies enacted will work for the bosses. Inter-capitalist rivalry and intense class struggle will prevent this. So a big sign of their growing weakness is growing cynicism about them by the people. They are losing their political hold on the people. Some bosses are saying "let's impeach Nixon to show that the democratic system works. It's important to show the people that even a President can't be the law unto himself." Others are worried about this crucial precedent. Impeachment in and of itself will create more cynicism, and indicate the inherent weakness of the system. The bosses are damned if they do and damned if

N.Y. Times, 5/20/73

Overheated Economy

By H. ERICH HEINEMANN

With the gathering evidence that the American economy may be running out of control, and with the gathering doubts that a politically weakened Nixon Administration will be able effectively to deal with it, financial markets were in turmoil.

A growing number of business forecasters see a recession next year as a result of the breakneck economic expansion.

THE WALL STREET JOURNAL,
Friday, May 18, 1973

Danger Ahead?

Signs of Future Slump Show Up in Indicators, Some Analysts Warn

Key 'Leaders' Continue Rising, But Early-Warning Indexes Point to Slowdown Ahead

Imponderable Role of Credit

Economy collapsing.

they don't. The contradictions of this pack of robbers are insoluble.

DEFEAT WORKERS' CYNICISM

However, cynicism is a two edged sword. We too must fight it! Many workers are going to throw up their hands and say no one is any good. Nixon, Mao, Brezhnev—"They all sell out." This can only be countered by fighting the bosses. Pushing for thirty for forty; fighting racism; and winning people to socialism, a system in which workers can control and use the political process. This is the only road workers can take to get out of the dung heap of capitalism. Watergate should show that this system represents the dead, smelly, rotten past. Workers' power—the dictatorship of the proletariat represents the future. "The future is ours."

Workers Mustn't Choose Between Big Bosses: We Have To Kill Them All!

June 14, 1973

IS it not a little ludicrous that government forces and big business moguls who have broken thousands of strikers, jailed and beaten thousands of black militants, jailed and harrassed anti-war fighters, and wiped out millions in their wars of aggression, are now fighting like cats and dogs over who bugged whose phones and why?

OBVIOUSLY, ALL THE BIG BUSINESS FORCES and their front men in the government are not fighting over how to improve things for **us.** The essential question for them is how they as a class can hold power more securely to oppress us and workers around the world. For several decades liberals and political "moderates" have held political power in Washington. From Franklin D. Roosevelt to John F. Kennedy, these liberal-"moderate" politicians acted primarily for the dominant economic interests within the ruling class. But with the ascent to power of Lyndon Johnson (over JFK's body), the presidency, which is the center of political power in this country, at first slowly, then more rapidly, began to represent the newer industrialists in government. These were the new large economic groupings that emerged after World War II.

These forces attempted to consolidate their grip on the presidency early in the second term of the Nixon administration. By and large, however, their policies failed as the economy went from bad to worse. A recent issue of **Business Week,** one of the bosses' leading economic publications, put it this way: "The administration has lost its grip on the economy . . . There is an alternative to standing pat and letting the economy rush along into disaster. It consists of a combination of tough new wage-price controls and strict fiscal and monetary discipline. It is a painful answer, and it involves some risks . . . The U.S. economy is too big and too diverse to be managed by passing the word to a few giant corporations and depending on them to police the markets. The worst mistake of Phase III was to let a large number of **medium**-sized companies think that controls no longer apply to them."

In other words, "Business Week" implies that Nixon favored one set of bosses over another. The New York "Times," in a recent editorial called "Avoiding Boom-Bust," says: "The most immediate need is for a tougher wage-price policy . . . But there is some danger that the boom (for the bosses, Ed.) will be allowed to run on until it is too late and give way not to a mini-recession but to a disastrous collapse." Notice that the "Times" and "Business Week" both choose the word "disastrous" to describe Nixon's policies and their consequences. For bosses, this is no minor matter. When it comes to the survival of their system, they will fight amongst one another to the death. But if we choose sides, then we will follow them into the grave.

AFTER SOME MONTHS OF SHARP INFIGHTing among each other, the bosses themselves are **inadvertently** making the essence of their dispute clear. They want us to believe Watergate represents the "good" guys against the bad, those who are concerned with people's rights vs. those who aren't, those who keep secrets vs. those who tell everything. (Has any boss—whatever his outlook—told you anything of import, except when he handed you a layoff notice?). Through its major mouthpiece, the New York **Times,** the dominant section of the bosses let the truth slip out. In his column, "nice-guy" Anthony Lewis says: "Here again no reshuffle of the old deck will work. The test has been loyalty to Mr. Nixon. The hasty insertion of John Connally as unpaid White House advisor is especially interesting. A Nixon move not to old Republicans or to eminent non-partisan figures, but to his natural constituency New Money, oil, aerospace, and the South."

The liberals and others who represent the dominant U.S. economic forces are out to wrest all political power from the new economic upstarts. They can't afford the luxury of having them around. And they want the working class and its allies to line up behind **them.** They too require a mass base to achieve their political goals.

The needs of the dominant section of the ruling class differ fundamentally from those of the new moguls. The old money is concentrated in big banking institutions like Chase, First National City, etc. Its major industrial centers are steel, auto, electricity, and virtually all trustified big industry. The needs of the new, "medium" economic czars require policies that provide enormous amounts of fast money and enable them to continue expanding rapidly and to penetrate economic areas hitherto controlled by Rockefeller, et al. For example, the "energy crisis" which is now being bandied about has raised the possibility that many of the independent oil companies will have to impose rationing on their local gas outlets because of short supply. The independent oil companies reflect the groups that have developed mostly since World War II. In order for them to get more oil fast to compete with the Rockefellers, they need more money now. They must be able to buy into the Middle East. They need pipelines. They need more tankers, etc., etc. Having a buddy in the White House gives them a big advantage.

TAKE THE FAMOUS LOCKHEED GIVEAWAY A couple of years ago. Lockheed, a new aerospace giant, was about to fold. The dominant sections of the ruling class were not about to prevent this. After all, they reasoned, why do Rockefeller, General Motors, etc. need Lockheed? But then the Nixon gestapo gave Lockheed hundreds of millions of

dollars to keep them in business. Perhaps you remember the fight in Congress over this boondoggle.

Take another example. Around the same time as the Lockheed giveaway, the new aerospace moguls wanted an even bigger giveaway to develop the Supersonic Transport (SST). They saw this as an opportunity to make their forces more competitive with Rocky & Co. But Senator William Proxmire, a liberal political agent for the older money, led the successful fight to squash the SST.

The constant bickering in Congress about the billions spent to inflate the coffers of the aerospace industry with multi-billion dollar space shot contracts also reflects this division between economic forces in the ruling class.

THE DOMINANT SECTION OF THE RULERS is worried that unbridled giveaways to new industry will cost them money, force prices up, and weaken the ability of U.S. imperialism to meet foreign competition. As a matter of fact, the dominant forces feel they would be more competitive internationally if they drove some of the small fry out of business. Too many hands in the profit till divide the take and inevitably force prices up. Recall after World War II how the smaller auto makers were driven out by the Big Three. The current situation has some similarities.

In order to line up workers and others in its camp, the dominant money has to toss out a few crumbs. The New York **Times** of May 28 gives the game away. The bait is tossed out in an article entitled "Watergate Seen as Boon to Urban and Civil Rights:" "Civil rights leaders, urban and government officials say they expect, at least, a softening of the Administration's positions on racial and social matters, if not a complete reversal. 'Watergate seems to have been God-sent,' commented an aide to a big city mayor." This bribe offer is **big business**-sent. It is made to set us up for a wage freeze and to accept, and—if necessary—fight for, the bosses' needs around the world. Remember: the liberals, acting for the dominant sections of the ruling class, launched the war in Vietnam to make profits. They backed off militarily because they thought on the whole that they had won the ability to invest in southeast Asia. The new bribe offer is an attempt to get us to accept the big bosses' racist bile. Remember: it was Robert Kennedy who bugged the phones of Martin Luther King. More importantly, it was liberals who gunned down thousands of black workers from N.Y.C. to L.A. when they rebelled against rotten conditions.

Almost all repressive anti-strike legislation on the books was written and enforced by liberals. Remember how Truman seized the railroads and broke the rail strikes. A major law used to break unions is called the Kennedy-**Landrum-Griffin Act. Let's not allow the offer of a few crumbs to put us in the liberals' pocket.**

THE BOSSES ARE AT ONE ANOTHER'S throats to save their system. Their competitive position in the world has them worried. To underscore the decline of the U.S. in world affairs (a decline the dominant interests of the rulers fear the Nixon cabal will speed up and carry to its logical conclusion), C.L. Sulzberger, major theoretician of the New York **Times**, says: "Historians looking back to the decade of 1963-73, starting with the assasination of J.F.K., then featuring the murders of Robert Kennedy and Martin Luther King, and then the shooting of Governor George Wallace, may perhaps perceive a pattern connecting them to the Watergate mess. Is it too much to say that these American tragedies came to be when the American dream began to vanish as the U.S. became dimly aware that the American Century forecast after World War II was both a misjudgment and a misnomer?"

U.S. bosses are growing weaker! We cannot profit from their disarray by lining up with either side. We must press ahead with the fight for our needs, like 30 for 40, anti-racism, grinding down speed-up, and other reforms. We must press ahead with the fight for revolution. Wage controls by the liberals or no controls by the Nixon crew are simply attempts to stabilize the bosses' system and guarantee them more profits. The dominant section takes a longer view because of their more entrenched positions. The newer forces take a shorter view because of their particular needs.

Our needs and aspirations are to crush **all** of them!

Today's Liberal Billionaires Are The Fascists Of Tomorrow

June 28, 1973

Watergate, which demonstrates U.S. bosses' political and economic decline vis-a-vis their counterparts and competitors around the world, has stirred up a lot of talk and speculation about fascism. A good deal of attention has been paid to the various methods used by the Nixon crew in attempting to fasten their grip on the state machinery. The spying, bugging, lying, framing-up, and other pedestrian events brought to light, are supposed to indicate Nixon's "new police-state" tactics.

If these methods are "new," then we have had fascism right along. Present accounts of the Watergate affair would have us believe that these and other tactics represent a sharp digression from the norm. This is bunk! Politicians and businessmen have always used these tactics against one another for financial and political gain. Industrial espionage is a growth industry. Political chicanery—including murder—is as old as the hills. It was used as recently as the 1960 preidential election, when the Kennedy Klan stole 100,000 votes from Nixon via the Daley machine in Chicago and thus swung the election into JFK land. What is new is that the power struggle between the dominant section of the bosses and the younger upstarts has become so sharp that they have gone public to enlist workers and others mainly onto the side of the liberals.

All militant fighters against the bosses have suffered from Nixon-type harassment (at the very least) in the past and will in the future. Militants have been murdered, jailed, beaten, and framed. Thousands of black rebels can cite chapter and verse about these bosses' tactics, as can countless others. This kind of harassment and terror has always been practiced against the people, and it never mattered whether a Republican or Democrat was in power. So fascism must mean something else.

RED, WHITE & BLUE NAZIS

When and if fascism comes to our country, it will come all wrapped up in red, white, and blue. Its slogans will probably be "peace, democracy, and social welfare." Some important liberal figure will possibly head the fascist movement. Liberal John F. Kennedy put forth a typical fascist concept in his 1961 inaugural address when he said: "Ask now what your country can do for you but what you can do for your country." In other words, bow down to the state, keep your mouth shut, and work your ass off.

Many attempts will be made to explain that increased oppression by the bosses is as American as apple pie. For the working class, fascism means intense oppression, mass terror, and increased national chauvinism, coupled possibly with stepped-up foreign expansion.

As in the past, the rulers continue to maintain a certain level of mass terror. But the development of fascism by them signals a qualitative expansion of mass terror. They need this intensification because of a new set of political and and economic conditions developing within (and probably outside) the country that seriously threaten capitalism's ability to maintain power. Some features of these conditions might be:

—The imminent collapse of the bosses' economic system because of sharper class control at home and abroad coupled with stiffer competition from other bosses.

—Growing strength of the working class movement through the development of a communist leadership whose aim is the seizure of workers' power.

—Stepped-up revolutionary thrusts by workers and oppressed people around the world wiping out more and more ctual and potential investment areas.

JFK'S VIETNAM FASCISM

You can easily see how liberals like JFK ruthlessly use fascism against oppressed people, as they did in Vietnam. Profits ripped out of oppressed workers' hides are used in a limited way to provide a few crumbs for workers at home. But as oppressed people fight for liberation and socialism, this profit cushion goes and

with it the crumbs and democratic illusion. So natural alliances become possible between workers at home and oppressed workers and people in other countries against the common enemy, U.S. imperialism.

The three developments outlined above will be among the more important ones forcing the rulers to fascism. Fascism is a sign of the bosses' weakness and often indicates the growing strength of the working class. When workers move ahead decisively for socialism, this spells power for them and curtains for the bosses.

Thus fascism doesn't fall out of the sky. It isn't an aberration peculiar to one or a few men. It isn't the good guys in the ruling class against the bad ones. Which are good? Fascism is capitalism forced to hold power through mass terror. First the capitalists consolidate their own ranks and then methodically use mass terror to apply their grip on the working class. Obviously, the dominant section of the ruling class determines the pace and timing of fascist development—if the workers let them. We can see from the Watergate affair as well as from analyzing who owns the basic wealth of the country that the liberals are among the main spokesmen for the dominant (i.e. the older) section of the bosses. Behind the smiles and nuances of each liberal lurks a fascist. Liberal leaders like JFK who have led the murderous march against the Vietnamese will not hesitate a moment to act in the same ruthless way against "their own" workers if the situation demands it.

KNOW YOUR ENEMY

In addition to showing us how the state really works, how flimsy the bosses are (as they betray one another when under attack), the Watergate affair also teaches us the useful lesson of who is in the dominant section of the ruling class and how much they wield power. Within a month, the Nixon gestapo has been cut down to size. There is ever-growing talk of impeachment and resignation. The New York Times, the bosses' most influential publication and the bastion of Eastern liberalism, is heaping abuse after abuse on the Nixonites. It has made Nixon appear like an inept boy scout. For example, on May 27, James Reston said: "To argue at this late date that 'national security' (Nixon's flimsy rationale for his group's maneuvers to consolidate power, Ed.) is served more by secrecy or that it was ever served by an arrogant staff or by the clumsy plumbers who gave us the Watergate scandal and the Ellsberg burglary is almost beyond belief. These characters couldn't fix a traffic ticket, let alone defend the national interest, and it is now fairly clear that they can't even protect their own security let alone the nation's." This is really saying that Nixon is a moron and his pals fools. Accusing him and his pals of inability to protect national security is neither a minor criticism nor a vote of confidence. Nor is it the sign of fear or respect.

U.S. IMPERIALIST DECLINE

In the June 7 **Times**, Anthony Lewis writes: "If the cloud of doubt remains month after month, with its devastating effects on the world's confidence, then sooner or later Richard Nixon will have to face the question that the Eden government faced in 1956. Some good friend and true conservative, we cannot yet know who, will come to him and say that for the country's good he must go." The liberals and the dominant section of the ruling class are "cutting him down to size" (Reston, **Times**, June 10) in a display of power but, more importantly, in a display of their rejection of Nixon policies—especially his economic policies, which they consider to have unnecessarily intensified U.S. imperialist decline. This decline is not only reflected in economic contradictions among the bosses. Workers can see it and must pay for it in their daily lives. The cities are crumbling. Prices and taxes are skyrocketing. Schools and hospitals are in a state of ruination. Streets are filthy. It's hard to make a phone call or mail a letter—and now we are being told that much of the country's tap water is polluted. These things are hardly an indication of a burgeoning economy. Now we are warned of yet another economic crisis either this year or next—which means more unemployment, speed-up, and budget cuts.

The dominant section of the ruling class is moving to limit the extent of the coming economic downturn. They want to cover up the Nixon team's excesses in flaunting ruling class power. They are trying to guarantee that their economic interests are the ones favored in the new trade with Russia and China. Recently, Chase Manhattan opened its first office in Moscow. Can Peking be far behind? Most importantly, they are moving to consolidate their power over the new money boys in oil, aerospace, etc. and then to take them over in true capitalist style. They hope these and other moves will streamline the economy and restore the facade of democracy to the state apparatus. Apparently, they do not think this is the time for fascism at home.

BREZHNEV, MAO HELP BOSSES

They realize that their economic decline does not mean imminent collapse. They know they have some maneuverability. A good part of this is the opening up to huge trade of Russia and China. These once communist giants help U.S. bosses avoid collapse by acting to put the brake on revolutionary movements around the world. The leftwing and revolutionary movement in the U.S. is still at a low level. So the U.S. bosses reason they are not seriously threatened now by revolution at home and abroad, and they believe the revisionists in Moscow and Peking give them economic room to maneuver. However, they also realize that they have sharp problems and that they must move to deal with them. At best, they might get some short-term relief,

but their days are whittling down. In the June 4 Times, Clark Clifford (top industrial spokesman) describes their plight: **". . . our country would not be in such dire straits because of inflation, the loss of confidence in the dollar and his unilateral decision to bomb Cambodia and Laos and remain hopelessly entangled in Indochina.**

"Our country cannot afford to conduct its business in this manner any longer. Our problems at home are **proliferating**, while our position in the world is **deteriorating.** Every signpost indicates that conditions **will continue to worsen** on both fronts. (Emphasis ours. Ed.)

"However, I suggest that the present posture of affairs is not hopeless . . ."

SHARPENING THEIR SWORDS

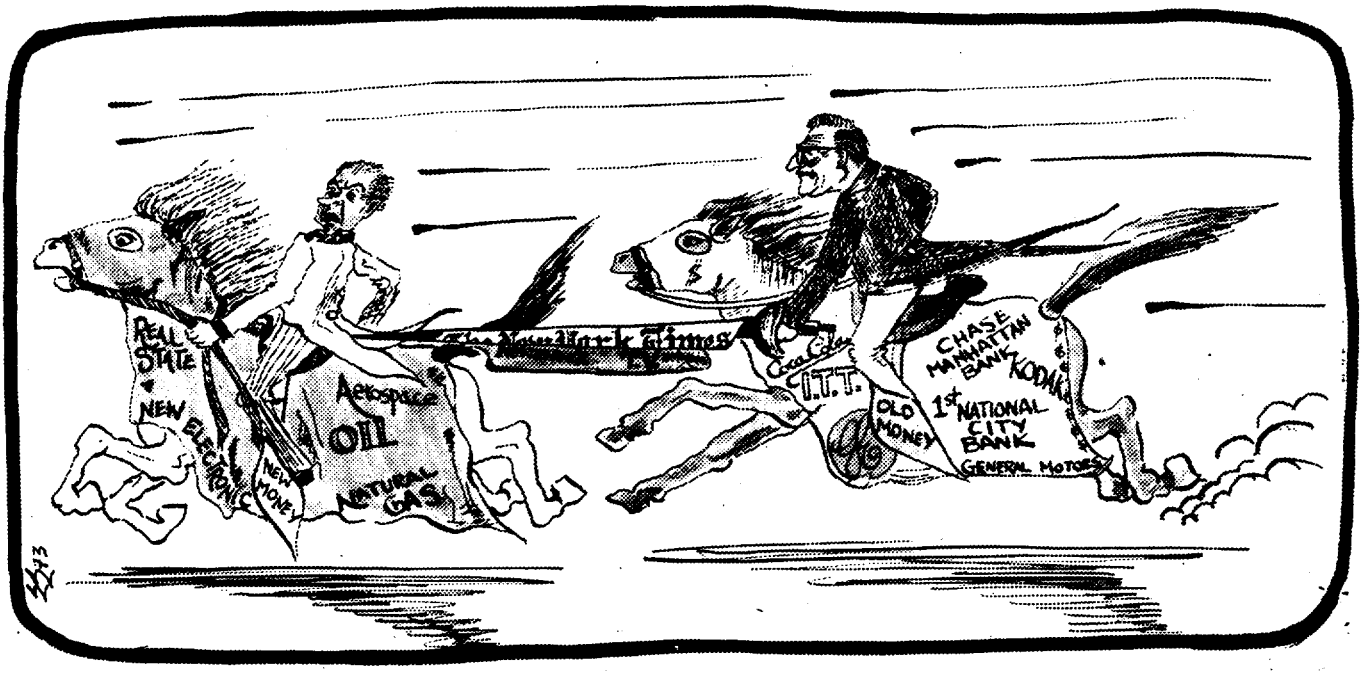
The bosses may not yet be ready for fascism at home, but they are constantly sharpening their swords. In this process, they commit fascist acts, but these acts are not yet a fullblown system. They are passing more and more anti-labor legislation, writing forced labor laws, stepping up anti-communism, harassing and murdering political militants and people generally, spreading racism and racist education, and trying to bribe many workers and intellectuals. They always prepare the machinery for the eventual development of fascism. They realize that whatever they do may not be adequate, and they prepare for the future. SO MUST WE!

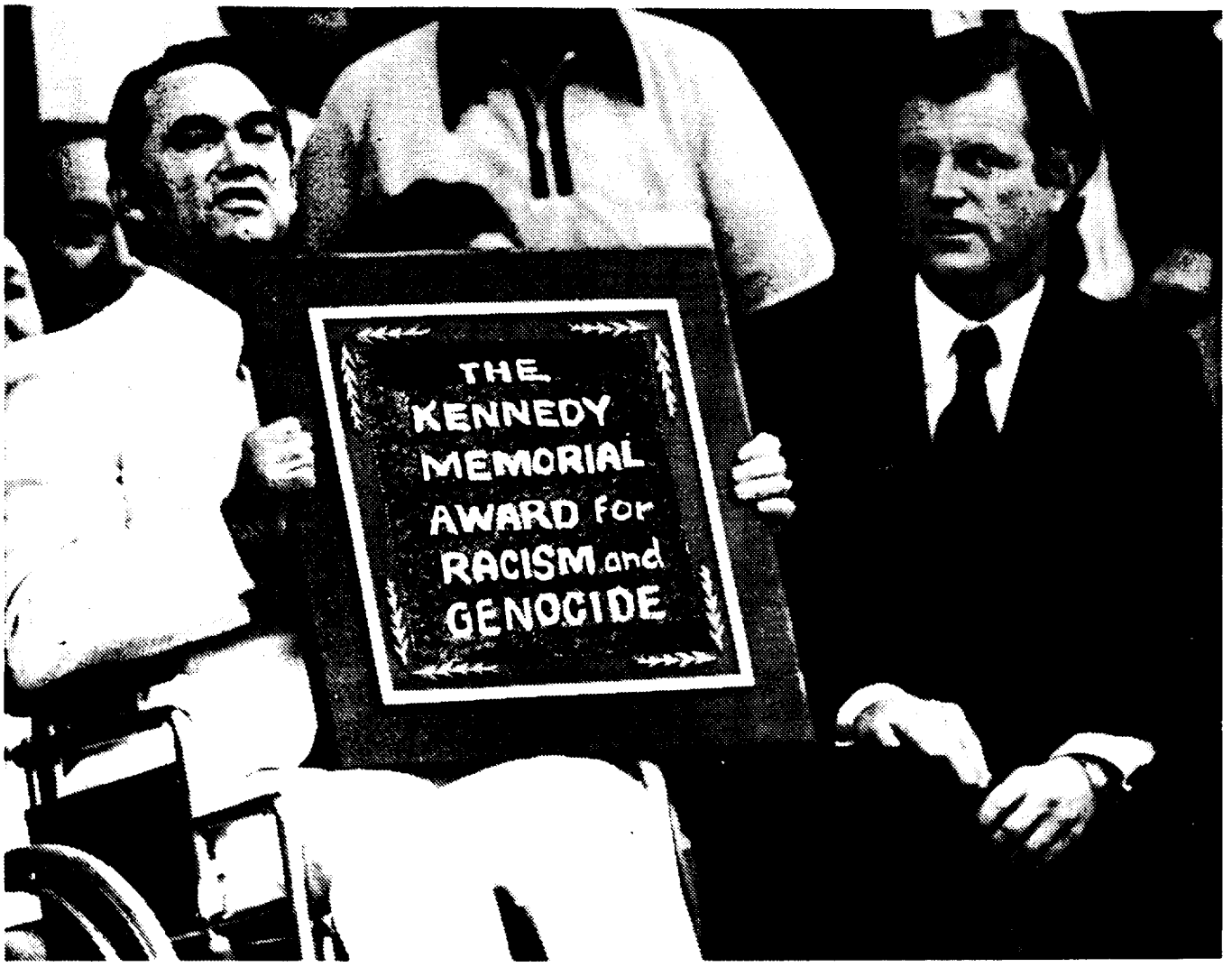
Crying wolf is not the way to fight fascism. The way to fight fascism is to build the political and eventually the armed might of the people. At this moment, we must strengthen our unions by fighting the labor bosses and putting the workers on the offensive against the big bosses. Through unity of black and white, men and women, we can strengthen our ranks. Workers can act for 30 for 40. This would be another sharp blow against bosses. A massive anti-racist campaign can be launched on the campuses, wiping out the bosses' ideological efforts to split the workers. This will develop as everyone realizes that racism hurts the entire working class and intellectual community. And a powerful left-center force can be built in the labor movement that aims to wrest power from the corrupt labor leaders. Finally, and most importantly, a mass party for socialism and revolution will grow and eventually challenge the rulers for power.

LOVE YOUR ENEMY?--DESTROY HIM!

Of course, the liberal bosses would love us to line up with them. They pose as anti-fascists, friends of the workers. Their lollypops and bandaids are used to bribe and cajole workers and others into thinking these billionaires are good guys. Alliances with liberals and failure to understand that the main fascist danger comes precisely from them because of their class interests has in the past been the doom of workers' movements. Allying with our enemy to get ourselves wiped out is crazy, but this is what many "leftists" suggest. They are confused by the gap between appearance and reality. Fascism is simply an extension of capitalism. It is mass terror by, for, and of the capitalist class—particularly the biggest capitalists. You can beat in only by relying on the strength of workers and others at home and abroad. In the past, workers have shown that they can beat fascism given certain conditions. Hitler, Mussolini, and others all fell under the blows of workers. Their successors get a second chance only because the entire capitalist class isn't wiped out.

Our job is to beat them all. And that is what we are trying to do.




THE
KENNEDY
MEMORIAL
AWARD for
RACISM and
GENOCIDE

July 12, 1973

Watergate Outcome:

Rocky & Co. Run Bosses' Govt.; Workers' Task: Overthrow It!

Recent issues of CHALLENGE have exposed the Watergate affair as primarily a struggle between Old and New Money. In this issue, we will deal with the forces who comprise the New Money and the limits of their power.

The Houston Group, which was favored by LBJ and is now represented by Connally, consists of the biggest banks in Houston, some other banks and insurance companies in Texas, Brown & Root Construction Company, which got the lion's share of the contracts in Vietnam and most importantly El Paso Natural Gas and Texas Eastern Transmission, the big Natural Gas monopoly which recently, through Nixon's intervention, landed 50% of the big Russian natural gas bonanza. In the last decade, the Houston group grew very rapidly, aided partly by the spectacular growth of the Houston area and more importantly by their friends in and around the White House. Brown & Root got rich off of Vietnam, more than most, and of course applied all the pressure it could to keep the war going.

The other partner in the Russian Natural Gas Deal is Occidental petroleum, headed by Armand Hammer, who used to run a pencil company in Moscow. This giant holding company had a spectacular growth in the last decade gobbling up large coal (Island Creek Coal), oil and chemical companies including such big ones as Hooker Chemical and becoming the first American oil company to seriously challenge the International Oil Cartel's monopoly of Mid-East Oil. Much of Occidental's behind-the-scenes backing has come from Cyrus Eaton's Cleveland group and Bank of America, both of whom have been at odds with Wall Street at different periods. Occidental's slice of Libyan oil,, though not as large as Standard of New Jersey's, provided the revenue to send Occidental on an acquisition spree in the late sixties. But with its Libyan holdings endangered, Occidental was in a precarious position until the Russian deal came through.

Some of the other independent oil companies like Sun Oil, owned by the Pews of Philadelphia or Ashland Oil or Bunker-Hunt are New Money. These forces and newly rich oil millionaires like H.L. Hunt and Clint Murchison have been locked in a fierce battle with the huge Rockefeller-Morgan-Wallon oil monopolies for two decades. Some of the battles waged include: (1) the attempt of Clint Murchison to intervene in the New York Central proxy fight in the late fifties, (2) the battles over the oil depreciation allowance (was that the real cause of JFK's assassination?), (3) the fight over the oil import quota, (4) the fight over the offshore oil rights in Texas and Louisiana, (5) the present oil "shortage" and the squeeze-out of independent marketers, (6) the fight over the Alaskan pipeline. This battle between big established oil and the new oil millionaires has been the most bitter battle within the ruling class in the recent period.

Outside of oil, we find New Money in aerospace. Howard Hughes, a big Nixon contributor, is the most prominent example. We have dealt with his defeats at the hands of the New York bankers. Other smaller aerospace firms fared even less well. The big ones, Boeing and McDonell-Douglas, are controlled by the New York wholesale banks and are in no danger of bankruptcy.

Lockheed and Litton are controlled by Bank of America. We have detailed elsewhere (PLP pamphlet **Who Rules America**) Bank of America's four decades of war with Wall Street and how after their last defeat in 1961 Bank of America made their peace, and one-time new money Bank of America is really now part of the "Eastern Establishment." Yet, at least certain sections of this empire maintained some close relationship with the Nixon clique. Lockheed got its loan, Litton's Ash became a Nixon big-wig and Union Oil's Brineger became Secretary of Transportation. Yet when Wall Street began the all-out attack on the Nixon clique, the Bank of America forces quickly lined up on the side of Rockefeller-Morgan. In return Bank of America operatives in the government were spared any taint of scandal.

The rest of New Money is relatively small potatoes individually, but together represents a sizable chunk of capital. Big land speculators and resort owners in Southern California, Texas, Arizona and Florida, textile manufacturers in South Carolina and Georgia, gambling and hotel kings in Las Vegas, financial interests in Miami, and the Florida National Bank Group, and timber companies in Idaho and Washington make up the rest of the economic base of the Nixon clique.

We can see that in terms of industrial power and more importantly financial clout, Old Money beats New Money by 100 to 1. And in all the industrial skirmishes of the sixties Old Money won hands down. Yet because Wall Street never felt it crucial to have one of their own in the White House, preferring to control other sections of executive power instead,

LBJ and Nixon were in a position to help New Money quite a bit in their struggle with the Old Money. **However, the Rockefeller-Morgan groups never yielded the key positions in the government. Foreign affairs and diplomacy were handled on a day-to-day basis by the Council on Foreign Relations (CFR) which controlled the State Department; important negotiations were handled by special representatives of David Rockefeller like Kissinger and David Bruce (former Vietnam negotiator now "ambassador" to China) or members of the key financial families like Henry Cabot Lodge. (See Appendices IV and V to "Who Rules America II.")**

The Nixon clique was never allowed to touch the military or police power. the Defense Dept. was headed by longtime Rockefeller flunky, Melvin Laird or CFR figures like Richardson and Schlesinger. The more important Assistant Secretaries of Defense were men like David Packard of Chase Manhattan or Kenneth Rush of Manufacturers Hanover Trust. The CIA was always headed by a CFR man and was totally independent of Nixon. And wily old J. Edgar Hoover had been around long enough to know who really runs the country and wouldn't allow the FBI to be used by Nixon. In fact, it was in despair of breaking the hold Wall Street had on the Defense Dept., the CIA and the FBI, that Nixon formed his own secret police, and this led to his downfall.

The HEW, the Federal Reserve Bank, the Securities Exchange Commission, the Civil Aeronautics Board and some other key departments and agencies were also always under the direct control of the New York wholesale banks.

The Treasury Dept. was a bone of contention, first headed by Chicago banker Kennedy, then New Money man Connally, and finally Chicago banker Schultz. The undersecretaries and key bureaucrats were all long-time servants of Wall Street. Yet the different winds blowing in the Treasury Department led to the confusing and inept wage and price policies that were becoming an embarrassment to the Rockefeller-Morgan cliques.

With the key positions of state power under lock and key, and since Nixon and his new money friends were no dire threat, why did Wall Street use the Watergate Scandal to purge the Nixonites? Basically, in the worsening situation for U.S. imperialism globally, the Rockefeller boys can no longer spare the luxury of sharing power with their New Money antagonists. Moreover they felt these men were bungling and obstructing their strategy.

There were six key grievances against the Nixon cliques.

1) There were undoubtedly differences within the CFR over whether to accept the terms of the North Vietnamese in 1968 or to press on in hopes of forcing even more favorable terms through more bombing. But by 1972, the CFR wanted out now and when Nixon interferred with Kissinger's negotiated settlement, especially by resuming the bombing in late 1972, the Old Money had no more patience for this bungler. When some members of the Nixon clique went so far as to threaten Kissinger's position, their days were numbered.

2) Wall Street thought the overthrow of Sihanouk and the subsequent invasion of Cambodia were an attempt by the Nixon clique to sabotage their strategy of relying on such phony "friends-of-the-people" like Sihanouk to guarantee their profits.

3) **The Nixon clique's vacillation on the wage-freeze question and its interference with the Treasury was seen as a major cause of the galloping inflation and the deterioration of the U.S. financial picture abroad.**

4) Rockefeller-Morgan groups opposed the dismantling of OEO and the impounding of "poverty" funds which had done so much to buy off former militants and nationalists in the big cities.

5) They would not allow Nixon to establish his secret police in competition with their own trusted secret police agencies, the CIA, FBI and DIA.

6) Finally, they saw Nixon's and his cohorts' personal arrogance as needlessly antagonizing their faithful flunkeys in Congress, the Cabinet and the Courts, and holding these institutions up to public ridicule.

Thus they moved against Nixon as described in the CHALLENGE Watergate editorials. As of this writing, almost all of the Nixon clique save Nixon has been purged and CFR men like Haig, Laird and Richardson now have all the key spots in the White House. The Vietnam war has been "settled"; negotiations are beginning with Sihanouk in Cambodia, a new wage freeze of some sort will be announced soon; the OEO has been "saved," Nixon's secret policemen will soon all be in jail and Tricky Dick is eating humble pie.

Whether Nixon himself goes depends largely on his contriteness and his willingness to obey his masters. It's a lesson the working class can learn about who really rules America and the ultimate uselessness of electoral politics. Only armed revolution will bring our class to power.

Thurs., May 31, 1973 Berkeley DAILY GAZETTE

'Plot: Nixon out, Agnew in and then Rocky'

By PAUL SCOTT
Washington News-Intelligence Syndicate
(Exclusive in Bay Area)

WASHINGTON — The drama packed Senate Watergate hearings are only the colorful sideshow to one of the boldest and slickest political power transfers in U.S. history.

With everyone's attention focused on the cast of "small-time" actors parading before the TV cameras recording the Special Senate Inquiry, only a few privileged insiders are alert to the really big show taking place at the other end of Pennsylvania Avenue.

An analysis

As part of the plan to create a new world order, the main show involves the carefully planned transfer of power from President Nixon to New York's Governor Nelson Rockefeller, now strategically positioning himself to become the President's "heir apparent" for 1976.

WHETHER ROCKEFELLER with his families' vast economic, social, and political power will be able to pull off this "managed" power grab is one of the most chilling and exciting political stories unfolding in our times.

The strategy blue-print, circulating within the House of Rockefeller and among their key supporters here, calls for President Nixon to either step down voluntarily or to be forced out of office before the end of his second term to set the stage for the New York Governor's grand entry into the White House.

As now being acted out, the Rockefeller script has Vice President Agnew, a long time supporter of the New York Governor, replacing President Nixon either late in 1973 or 1974. With the Vice Presidency vacant, Agnew would then take advantage of the 1967 change in the Constitution and appoint Rockefeller as his Vice President.

This appointment would be subject to approval by majority vote in both Houses of Congress, as provided in the little-known succession law change.

LATEST SIGN that Gov. Rockefeller has his eye on the Presidency was his recent visit to the White House in the midst of the expanding Watergate scandal and the Nixon Administration's deepening involvement.

With the President's full approval, Rockefeller was given the White House forum to announce that he is creating a National Commission on the Future of America in its Third Century.

Rockefeller revealed that as chairman of the new Commission, he will be traveling all over the country. What he didn't say but should have added was the Commission would provide him with the opportunities and vehicle he needs to build up wide spread support among both Republicans and Democrats —something he does not now enjoy outside of New York state.

Watergate Prosecutor Cox Is Arch Enemy Of Workers

Archie Cox, the new "special prosecutor" for Watergate, is a silk-smooth troubleshooter with over 30 years of faithful service to U.S. bosses. In this period, he has helped cut wages, represented billionaires in labor mediations, written reports, helped throw anti-racist students out of buildings, written anti-labor laws, and written more reports.

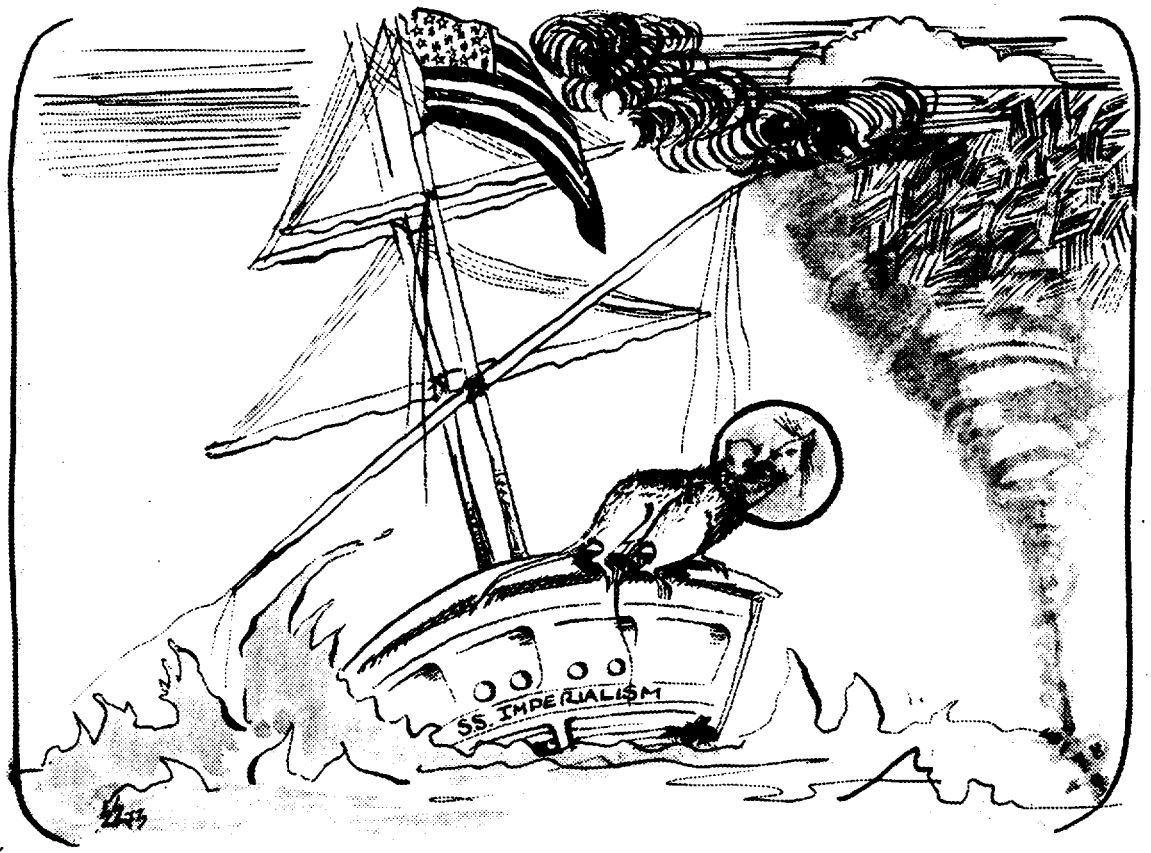
COX IS ONE OF THOSE BRIGHT MEN WHO make a living by "advising" the rulers and doing a little teaching at Harvard (Law School) on the side.

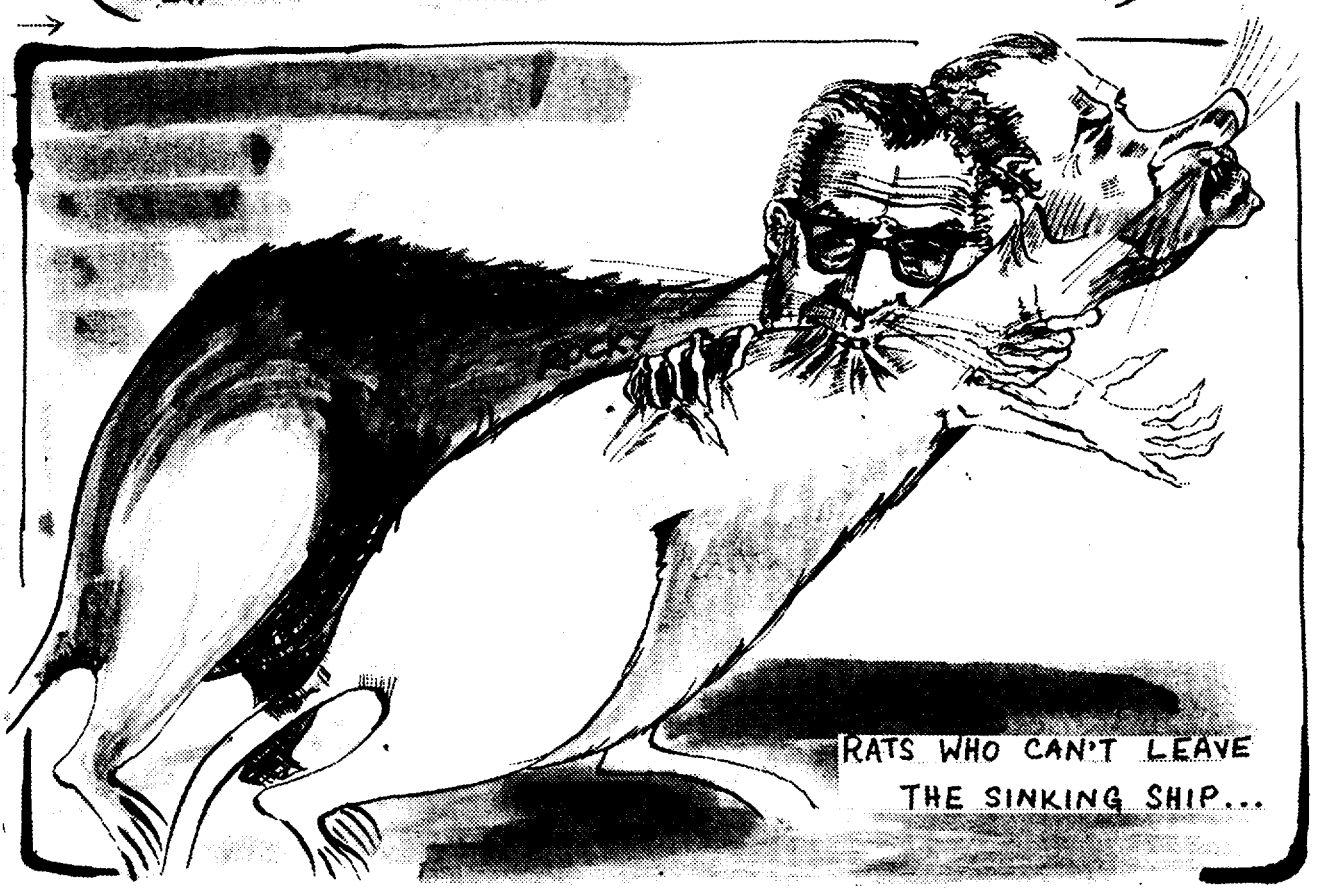
His former student there, Boston millionaire Elliot Richardson, appointed him to do a white-gloved hatchet job on Nixon & Co. Cox prides himself on his "liberal," "neutral," "fair-minded," "fatherly," "above-it-all" reputation.

Well, he certainly isn't "neutral" in the class struggle. Consider the high points of his career:

- In 1937 Cox graduated Harvard (with honors, of course). Alert of mind, he understood that the highest form of patriotism is the lowest form of wages and joined the National Defense Mediation Board.
- After the war, he returned to Harvard and sharpened his skills as a labor "mediator." When the Korean war broke out, Cox became chief of the Wage Stabilization Board (the wage freeze agency of the time). He performed his duties so zealously (cutting a United Mine worker's increase from $1.90/day to $1.50/day) that Truman had to send him back to Harvard in order to head off workers' militancy.
- After getting canned by Truman, Cox worked on (anti)labor law "reform" and became Senator JFK's top advisor on labor relations. After getting back in shape by helping Eisenhower crush a threatened railroad strike in June, 1960, Cox began to move up with the steamrolling Kennedy bandwagon. He became President JFK's Solicitor General (the government's chief lawyer). Of course, he also continued to help out on labor relations. As a matter of fact, he was calling for wage controls as early as 1962.
- After quitting in 1965, he went back to Harvard and occupied his spare time with odd jobs like lecturing for the Ford Foundation at the U. of Mississippi with one of the murderous (Vietnam genocide) Rostow Bros. and sitting in on NYC transit and teacher arbitration panels. In 1968, an historic student rebellion rocked Columbia U., when students struck against the university's racist expansion policies and its direct aid to the Vietnam war effort. The bosses flew Cox in, got him to set up a Cox Commission, and hailed his report as a "vital document" (N.Y. **Times**). With usual liberal sugar-coating about the horrors of police brutality and administration bungling, this report was essentially a manual on how to keep a racist university running while avoiding trouble. When Cox returned to Harvard, he soon got another opportunity to put his student-control theories into practice alongside his pal, fellow all-American wage-freezer John Dunlop, when Harvard students rebelled in 1969.

Now duty calls again. Once more, the Arch trouble-shooter for U.S. billionaires dons his liberal mantle and rides out to serve his Wall St. masters. When he finishes his job on Nixon & Co., his employers will surely return him to the work he does best—turning the screws on workers directly.


SS. IMPERIALISM


RATS WHO CAN'T LEAVE
THE SINKING SHIP...

Daniel Ellsberg: Liberal Bosses' Latest Galahad-With-Swastika

Like the Watergate affair with which it has been linked in the bosses' press, the Pentagon Papers trial and acquittal of Daniel Ellsberg reflects the economic and political decline of U.S. imperialism vis-a-vis its competitors, as well as the current internal dogfight between established billionaires and newer billionaires.

THE PENTAGON PAPERS AFFAIR ALSO EXposes the liberal imperialists as the main enemies workers must attack if they are to advance the class struggle at this time.

Ellsberg himself embodies these lessons. He typifies the most repulsive, bloodthirsty aspects of liberal imperialism.

His career reads like a primer in terror and aggression for profit.

Ellsberg went to Marine Corps Officers' Candidate School and emerged second lieutenant and platoon leader. In 1956, when British, French, and U.S. imperialism decided their oil profits required a Zionist blitzkrieg, **he extended his tour of duty because he wanted "to be in combat." (N.Y. Times, June 27, 1971)**

AFTER FINISHING HIS Ph.D. THESIS AT HARvard in 1959, he joined the Rand Corporation—a topflight imperialist think-tank responsible for planning the specific forms U.S. genocide would take in its war against the Vietnamese people. Ellsberg was one of the top advisors who formulated the infamous "strategic hamlet" plan. This was the program that herded hundreds of thousands of south Vietnamese men, women, and children into concentration camps where they were subjected to forced labor, torture, and starvation.

Daniel Ellsberg is directly guilty of genocide. Murder for murder, his "accomplishments" rank with anyone on Hitler's General Staff, SS, or Gestapo.

In August 1964, he joined the top level staff **of the Assistant Secretary of Defense for International Security Affairs, working on decision-making in Vietnam.**

THIS MEANS THAT, IN ADDITION TO THE "strategic hamlet" plan, Ellsberg helped formulate the vicious "search-and-destroy" operations that destroyed entire villages, the massive aerial bombing of both north and south Vietnam, and countless "lesser" terror-torture tactics practiced daily by the imperialist army and its local stooges.

He spent two years in Vietnam studying U.S. and Vietnamese puppet "efforts" against guerrillas.

He rejoined Rand in 1967 and, as late as 1969, contributed to imperialist strategy at the highest levels, submitting reports to Kissinger.

THIS MAN'S HANDS ARE SOAKED WITH THE blood of millions. Yet the New York **Times** and Ellsberg himself not only want people in America and around the world to believe that he is sincerely repentant but are actually trying to turn him into a saint, a martyr, and a hero.

Briefly, this is what happened. In 1971, the liberal imperialists understood that traitors in Hanoi, Moscow, and Peking were ready to give them a profitable deal in Vietnam. They wanted to take the deal immediately. They reasoned that continued warfare could only jeopardize their diplomacy and lead to growing revolutionary consciousness among the Vietnamese people.

They got hold of Ellsberg, a topflight academic with plenty of ambition and "impeccable" connections to Wall St. money (Rand). They cooked up a script about his "guilt feelings," and gave the Pentagon Papers to the N.Y. Times. The Times proceeded to make continued U.S. military activity in Vietnam one of the major issues in the country.

THE PENTAGON PAPERS **WERE INTENDED** to discredit the Nixon gang's plan to continue bombing and wait for a better deal. Ultimately, Nixon & Co. were forced to settle with the north Vietnamese sellouts on the liberals' terms.

Now the liberal imperialists are using Ellsberg in order to achieve two goals. First, they want to portray him and, by implication, themselves) as a symbol of honor opposed to the "corruption" of Nixon & Co. In the second place, they are depicting his acquittal as proof that the system works and that "justice" triumphs in the end.

Ellsberg himself is now running around Washington wrapped in the red, white, and blue. He visited the Watergate Hearings and praised the Congress as the "independent legislative branch." He snivelled that his acquittal proved democracy was still alive in America. He said he was "proud of his country."

WELL, HE HASN'T DONE TOO BADLY. HE'S

WOULD YOU LET A MAN WITH THIS PAST INTO YOUR HOUSE?

"Dr. Ellsberg's job was to assist American and Vietnamese efforts against guerrillas in the (south Vietnamese) provinces. Those who knew him remember that early in his tour, he approached his job with something like Boy Scout enthusiasm, glorying in combat and weapons." (N.Y. Times, June 27, 1971)

probably about to launch a political career as the mass murderer who turned a new leaf.

His trial was an attempt by liberal bosses to suck many honest opponents of the Vietnam war into a dead-end pro-imperialist trap.

But there are limits to everything. Some crimes can be atoned for. But from a class point of view, **nothing** Ellsberg or his bosses Kennedy, Rocky, & Co. do can soften their crimes or the punishment they deserve.

If Hitler came back from the grave, visited a psychiatrist, gave the original manuscript of Mein Kampf to the New York Times, and then went on TV to say now that he'd had a chance to think things over, he was sorry for World War II and the concentration camps, would that be enough to get him off the hook of history?

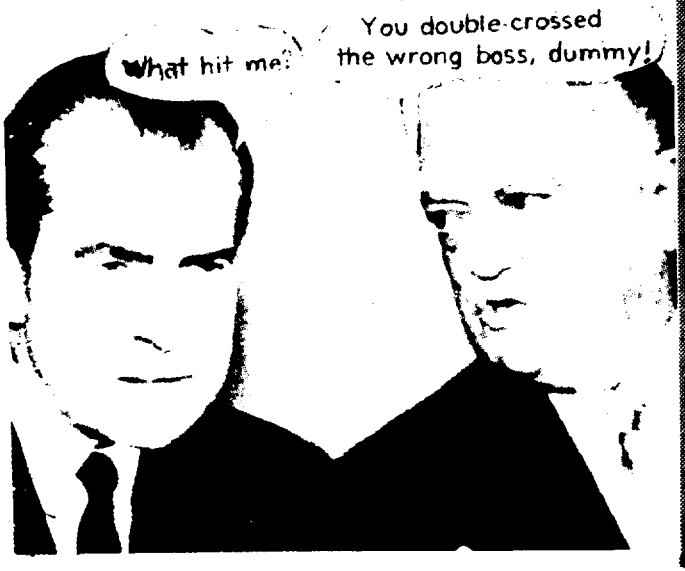
OF COURSE NOT. ELLSBERG IS IN THE SAME league. He can shed all of the crocodile tears he wants now that Kissinger and Le Duc Tho are talking over the best way to turn Vietnam into a sweatshop for U.S. bosses. Nothing can change the fact that the Vietnam genocide plans he drew up for his Wall St. employers were vital to their class needs at the time and will be vital again.

The liberals will not hesitate to use strategic hamlets, saturation terror bombing, etc. the next time they are forced to protect their profits with a counter-revolutionary war.

As they try to consolidate their position in the dogfight against Nixon & Co., they will need to come up with more Ellsberg "savior" types to prettify their killer system.

WE SHOULDN'T LET THEM GET AWAY WITH it. The needs of U.S. imperialism are such that anyone who represents it or runs it must sooner or later commit mass murder here and abroad. The whole system has to go. In the aftermath of Watergate, the Pentagon Papers, etc., the idea of revolution is the main idea U.S. bosses will try to discredit. It is the main idea Ellsberg is now trying to discredit.

It is also the main idea workers need to fight for.



Sam Ervin: An Expert In Using Bosses' Law To Justify Racism

Among the goals they have set for themselves in the Watergate Follies, the established rulers of the U.S. want to give various politicians a new reputation as great populist heroes and guardians of the public morality. Watergate Committee head Sen. Sam Ervin (D-N.C.) provides a particularly flagrant example of this attempt to dress up wolves in sheep's clothing.

Much is made of Ervin's great "expertise" in constitutional law and his concern for the integrity of the law. This reputation was in fact acquired during the early 1960s, when Ervin led a coalition of southern senators in trying to dig up quasi-legal arguments to block civil rights legislation the liberal racists wanted to pass as a sop to the growing militancy of black workers.

On one occasion, Ervin argued that barber shops, restaurants, hotels, etc. could not be compelled to serve black people on the ground that this would violate the 13th Amendment prohibition against slavery and involuntary servitude! Similarly, he argued that fair housing laws violated the constitutional right of privacy. He also introduced amendments to delete the entire sections on voting rights and fair employment practices from the 1964 Civil Rights Act and in all proposed 24 amendments designed to weaken that bill and aid the filibuster against it.

Of course, the "fight" between the Ervin-led southern coalition and the liberals was a farce. The real driving force for reform was mass pressure, including the 1963 march on Washington of 300,000 people and the rebellions of black workers during the 1960s. Enforcement of the Civil Rights laws—by the very liberals who passed them—has been notoriously lax.

In 1970, Ervin came out of the closet again to argue that the 1964 Civil Rights law made it illegal to force construction companies to hire a specified percentage of black workers.

To top it all off, Ervin also raised his voice in the Senate's 1970 discussions to argue against ratification of the Geneva Convention against genocide. He stated he didn't want to outlaw murdering Black Panthers, cutting welfare, or the U.S. imperialist war in Vietnam. Clearly, his brilliant constitutional mind doesn't see anything immoral or illegal about racism.

The ease with which he shuttles back and forth between the camps of the liberal racists and the more obvious southern racists proves once again that one group of rulers is no better than another. Ervin, Kennedy, Rocky, Nixon, and the various moguls who back them are all committed racists who will do whatever they think necessary to make more money off the backs of working people. We need to get rid of each and every one of them!

N.Y. Times: All The News That Fits Wall St.

The "Watergate" affair should teach workers and their allies a valuable lesson about the class nature of the mass media under capitalism.

Many people understand to one degree or another that the major newspapers, TV and radio networks, magazines, and periodicals are all owned by wealthy individuals. But few are aware of the extent to which the most important organs of the media are owned and operated lock, stock, and barrel by the most powerful interests of the U.S. ruling class —the very same interests now attempting to tighten their grip on the government and economy by squashing the new upstart billionaires in competition with them.

The New York **Times** offers the clearest example of old money's thorough domination of the mass media. Most people view it as the most prestigious and influential paper in the U.S., ranking internationally with the **Times** of London, **Le Monde, Die Welt**, etc. as the leading journalistic spokesmen for western imperialism.

The Times' **huge repertorial and editorial staff, its vast research facilities, its "name" columnists, and its ponderous, sober style all contribute to give it a reputation for complete objectivity and integrity.**

The facts show, however, that the **Times** reflects these characteristics in one sense only: it tries to be as objective as possible in defining and serving **to the hilt** the interests of the dominant section of the U.S. ruling class. There is a partisan character to truth: you can define sides in a struggle, but you can't stay neutral in the class struggle.

Since well before the Watergate disclosures, the **Times** has led the anti-Nixon charge for the old money. When Wall St. decided that the class traitors in north Vietnam had been softened up enough by U.S. imperialist terror and that further bombing would only jeopardize the deal to turn all Vietnam into a sweatshop, it sensationally published the "Pentagon Papers" to create a climate of mass opinion favorable to immediate conclusion of the Paris negotiations.

At that time, however, the battle between old and new U.S. billionaires had not yet reached its present proportions. Now that Wall St. views Nixon's economic policies as an unmitigated disaster for U.S. imperialism, the Times has pulled out virtually all the stops in its anti-Nixon campaign. Not only does it daily publish more and more lurid information about the conniving, bungling, thievery and general viciousness of Nixon & Co., but it has also (on its Op-Ed page) printed a number of suggestions from leading ruling class figures about how to best dispose of the Nixon administration as soon as possible. The latest of these, from Clark Clifford, LBJ's former Secretary of Defense and a top lawyer for Wall St. money, urges both Nixon and Agnew to resign. (June 4, 1973).

Well, why should the **Times** take such a vehement anti-Nixon stand? Certainly the explanation can't be that this multi-million dollar enterprise, which backed Ike, JFK, and LBJ (at the beginning) all the way on Vietnam and opposes every strike on record, has suddenly decided to turn pro-working class.

The **Times** is owned by the Morgan financial oligarchy, the second biggest U.S. ruling class group after the Rockefellers. It interlocks with Morgan Guaranty Trust, Bankers Trust, Manufacturer's Hanover Trust, Bowery Savings Bank, Lazard Freres, & Co. It has corporate interlocks with Boise Cascade Co., ITT, and other mammoth enterprises. It owns a NYC radio station. a Memphis TV station, three Florida Newspapers, and the Chatanooga **Times**. It controls the Des Moines **Register Tribune**, the Minneapolis **Star**, the Milwaukee **Sentinel**, Cowles Communications (various midwest TV and radio stations), several other Florida newspapers, and three other TV stations.

The Washington Post (also controlled by the Morgan group) and the L.A. Times (controlled by the Bank of America group), and the New York Times own or control newspapers with 7.4 million circulation—20% of all newspaper circulation on the U.S. These three papers are also the leading anti-Nixon spokesmen in the current dogfight among U.S. rulers.

The interests of the Morgan group, like those of the Rockefeller group, the Prudential-Manufacturers Hanover group, and other old money groupings like the Mellons, Duponts, etc., require tight economic controls, a more moderate growth rate that can maximize profits over the long run better than the present 8% rate, and an end to the multi-billion dollar giveaways Nixon has been bestowing on new money interests like Lockheed. Is it any wonder, then, that the **Times'** attacks on Nixon and his thugs are inevitably accompanied by articles showing the depths to which the dollar is sinking and urging the government to adopt a new economic policy?

It should come as no surprise to workers that nothing the **Times** calls for is going to do us any good. A central aspect of its new economic policy is a reinvigorated, tougher-than-ever wage freeze.

The **Times** has called for this several times in recent editorials—just like the Rockefeller-owned **Fortune** and **Business Week** and the Morgan-Rockefeller-owned **Wall St. Journal.**

To ice the cake, A.H. Raskin (assistant editor of the Times editorial page), hails recent efforts by the big bosses to get top labor fakers to sign no-strike agreements:

"While a strikeless economy is not yet in sight, most observers in Government, labor, and management are convinced that a new maturity is reflecting itself at the bargaining table, plus an increased willingness to experiment with methods other than trial by combat to resolve impasses." (June 6, 1973.)

There you have it. Behind the **Times'** sham outrage at the Nixon crew's wiretapping frolics is the wail of multi-billionaires whose empire is sinking and whose profits are threatened.

The **Times** and the interests it serves and backs may not yet have decided upon the Nixon administration's immediate fate. They haven't the slightest hesitation about their intentions toward **our** class, however.

In order to help create a climate of opinion favorable to more rigidly frozen wages and generally tighter government intervention in the economy, they have also stimulated popularization of leading racist theoreticians and anti-working class ideologues. Arthur ("genetic inferiority") Jensen became famous after the Times devoted considerable space (starting in 1969) to favorable reports of his work. The same holds true for other neo-Nazis like Herrnstein and Eysenck.

PRO-WALL ST., PRO-WAGE FREEZE, PRO-U.S. imperialist, pro-racist: this is "all the news that fits" the interests and outlook of Rocky, Morgan and Co. As the rulers move to enact the policies the **Times** is advocating, the working class will be able to see more clearly than ever that CHALLENGE-DESAFIO is the only newspaper that serves its interest objectively and unconditionally, and that these interests are inseparable from class struggle against **all** the big bosses that sharpens and sharpens until there are no bosses left anywhere to demand that we sign no-strike agreements with them.

As they did for Mussolini, workers will set things straight for racists Kennedy, Wallace, & Co.

Watergate Buffoons Can't Hush Sound Of Not-So-Almighty Dollar's Swoons

What the Watergate Scandal has kept out of the news very conveniently is the continuing deterioration of the U.S. imperialist financial structure. Last week gold was selling at more than $120 per oz. on the International markets. The U.S. government says gold is worth $42.50. Somebody is lying, and once again it is Nixon and his crew.

WHAT DOES THIS MEAN? THAT THE DOLLAR is really worth only 35¢ of its pegged value. There's big trouble ahead for the imperialist corporations that depend on the once "almighty dollar" for their power. When the dollar was powerful and was wanted by everybody, Standard Oil could march into any country and buy up the oil fields; General Motors could buy Opel and other European auto plants; G.E. could build plants and purchase companies in 50 countries of the world; the U.S. State Dept. could buy up corrupt dictators and foreign politicians by the dozen, and the Pentagon could station 1,000,000 U.S. troops in 1000 bases in 50 countries around the world. Added up, that was U.S. imperialism at the height of its power.

But those times are no more. The Vietnam War weakened the U.S. militarily but the financial crisis (very much related to the Vietnam debacle) is causing the quickest decline and fall of an empire yet seen in history. The U.S. imperialists greedily overextended themselves. The dollar has been knocked off its perch and is now the weakest currency in the world. The speculators abroad don't want a dollar anymore, they would rather have gold at three times its official price than a paper dollar; they are paying premiums for the German, Japanese, French, Dutch, Italian, Russian, Belgian, Swiss, even Argentina currencies in order to dump their dollars.

This has several effects, one of which is that the U.S. imperialists can hardly invest abroad any more; in fact, what they have now becomes more receptive to European and Japanese takeovers. Even stationing U.S. executives abroad is becoming a major hardship for the bosses. For example, an American bigshot in Tokyo costs the company $34,000 on top of his salary to make up for the weakened purchasing power of the dollar over there. (That figure is $26,000 in Paris, $19,000 in Moscow, $21,000 in W. Germany.) (Figures from Business Week, May 19, 1973.) It used to be the other way around. An oil field Standard Oil could buy for $350,000,000 in 1971 may cost $425,000,000 today, but a German company which had to pay 100,000,000 marks in 1971, can get away with 80,000,000 marks today. These figures are of course, only approximate, but they give a picture of what these devaluations have done to U.S. imperialists' financial position.

IN COUNTRY AFTER COUNTRY ONCE CON-sidered safe U.S. territory, the U.S. bosses are finding themselves the odd man out. India, Pakistan and Ceylon were once considered safely in the U.S. camp; today E. Pakistan (Bangla Desh) and Sri Lanka are in the Russian camp and the Russians are the number one investors in India with the U.S. number two and the Germans catching up to the U.S. Libya was once a U.S. colony complete with military bases, a friendly king, and all oil fields controlled by Standard Oil and its friends. Today the king is gone, the military bases are gone and the U.S. oil companies are about to lose their oil fields. Chile and Peru were once considered in the U.S.

"backyard," the U.S. ambassador was the most powerful man in the country. Today the Japanese and Russian ambassadors are more powerful, and U.S. investment has gone downhill while its competitors are picking up the pieces. Spain was once considered safely under the U.S. thumb; today it is under the collective thumbs of Germany, Italy and France. There are many other examples of this shift away from a world once ruled by the dollar and the Pentagon to a world ruled by a number of competing empires.

Meanwhile, we are seeing the spectacle of foreign imperialists using their hoard of dollars to buy up U.S. companies and U.S. plants. Recently, Nestle of Switzerland bought up Stouffer Foods, Franklin Stores is being taken over by a British firm and Krupp of W. Germany is scouting the U.S. for steel plants. In the field of raw materials, the Japanese bosses already control most of the Northwest's lumber supply and a lot of U.S. and Canadian coal mines. The Russian wheat dealings have wrecked havoc in the domestic market. But the biggest action seems to be in German, Japanese and French capitalists building plants in the U.S. in order to take advantage of "cheap American labor." Michelin Rubber plans to build a $200 million facility in the Carolinas. Volkswagan probably will build two assembly plants, one near New York, one in California. Datsun and Toyota are looking at plant sites in Los Angeles and Seattle. Hourly wage costs of the Spartanburg, South Carolina, Fabwerke Hoechst plant are 15% lower than those of the parent polyester fiber plant in Bad Hersfeld, Germany. This is only one example of why foreign capital is turning to the U.S.

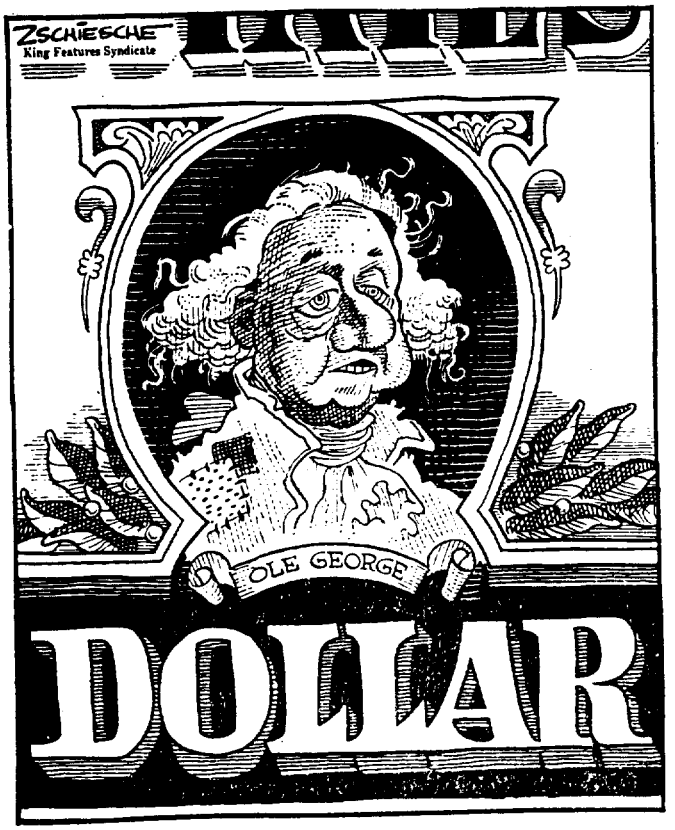
All in all, earnings on U.S.-based assets owned by foreign imperialists jumped from $4.9 billion to $5.9 billion in 1972 and are expected to climb sharply again this year. More ominous for U.S. imperialism is the fact that in 1972 for the first time in many years, U.S. net investment income declined, reflecting increased foreign imperialist activity in the U.S., decreased U.S. imperialist activity abroad, and a sharp rise in interest payments on the $60 billion or so that foreign central banks and other agencies have invested in U.S. securities, largely Treasury bills. The Bank of Tokyo probably owns more U.S. Savings Bonds than any U.S. bank.

BEFORE WE START FEELING SORRY FOR "our" bosses or falling for their racist attacks against our fellow workers in other lands, we should consider two facts:

(1) These billionaire bastards got into this mess themselves. When they were raking in the dough from their Lybian oil fields, we never saw a penny of it. Now that the wheel has turned against them we are supposed to make up their losses.

(2) When they gambled and lost it wasn't **their** shirts that they gave away, but **ours.** This crisis hasn't affected the bosses' living style one bit. Last quarter profits hit another record high. up 23%. G.M. is earning profits at the annual rate of $3.2 billion, up 25% from last year. Ford's profits are up 43%, Chrysler's profits are up 151%, U.S. Steel up 157%, Bethlehem Steel up 62%, McLouth Steel up 28%. How much did our wages go up last year?—5.5%, 2% or for many workers, nothing. Does the high price of meat mean workers have to do without? The big bosses on top aren't worrying. Lee Iacocca, President of Ford Motors got $861,290 in straight salary, plus over $1,027,000 in over-the-table stock options. We don't know what he got under-the-table. (His salary and benefits went up 50% last year.) G.M. big cheese Gerstenberg got $551,575 in cash plus $510,000 in stock options. Chrysler's Chairman, Townsend got a $659,850 salary and G.E.'s chief Borch got over $570,000.

The big bosses obviously intend to take out the beating they are getting abroad on our hides. Well, we won't stand for it. The time is coming when American, German, Japanese, Russian, Latin, Arab, Chinese workers and workers from other lands as well, will stand up, lock arms and stamp these bosses into the ground.



WATERGATE PLOY:

LIBERALS LINING UP OWN LABOR LIEUTENANTS TO SUCKER WORKING CLASS

How do the liberals operate in the trade union movement? Here's a sampling...

Leonard "Roadblock" Woodcock, President of the United Auto Workers... Reuther protege... Took over after his death... Never voted in by the membership... Sold out auto workers in first try after GM '70 strike... Has since refused to give aid to Lordstown and Norwood strikers who walked picket lines from three weeks to six months battling GM speed-up... Then boasting they "won nothing"..... Setting up UAW members for no-strike sellout this fall... Polishing up staggered local strike policy to prevent locals from going out together over local grievances, thereby preventing rank-and-file nation-wide strike against any auto company... Has learned well from anti-communist boss Reuther in attacking militants and communists wherever they lead auto workers... Mentioned as possible vice-presidential candidate with McGovern ...In characteristic pose above, shaking sellout hands with chief GM negotiator...

Harry Bridges, President of International Longshoremen's and Warehousemen's Union... Has been living off militant reputation of '34 San Francisco general strike which established ILWU ...Made his peace with the ruling class, reflected in fact they long ago stopped trying to deport him to native Australia ...Culminated in signing of 4-year pact to trade off jobs lost due to automation for possible future payments of $13 million... Shipping bosses admittedly made $200 million off this sellout, the infamous "M&M" deal (Mechanization and modernization)... This no-strike "solution" to automation was cited by U.S. Labor Dept. in letters to every big boss and union in the country as "model" way to handle automation "without strike"... Generally supported liberals (but switched to Nixon in 1960)...Backed McGovern...Rationale for kicking over all traces of early radicalism? "Can't build socialism in one union"...

Some Spiders in the Liberals' Union Web

Paul Jennings, President of International Union of Electrical Workers... Helped James Carey destroy once-militant United Electrical Workers to set up IUE as strictly anti-communist union... Won presidency in election which U.S. Labor Dept. certified opponent's fraud... Sold out GE workers' 101-day strike in '69 to '70, setting stage for current lousy settlement without a strike, based on workers' disgust with having lost long walkout three years ago... Went with JFK, LBJ and McGovern all the way...

Dave Livingston, President of Distributive Workers of America's District 65 ...Started out as militant communist. organizing NYC textile workers in '37... Didn't build political base among workers... Quit Communist Party when still a militant organization and signed notorious Taft-Hartley "non-communist" affidavits on "theory" that they had to "save the union" but "in our hearts we're still communists"... Rejoined CIO—which he had led "65" out of when they kicked out the communists—and agreed to Reuther's demand that he purge all communist organizers or "they will be put through the meat-grinder"... Began to rationalize sellouts in name of "saving" small, low-paying shops from "going out of business (in sharp contrast to earlier answer to bosses' threats that built union: "If you can't pay for decent wages and conditions, you don't deserve to be in business and we'll drive you out," which usually forced bosses to sign... Exposed by PLP members in mid-1960s . . . Becomes delirious whenever hears initials PLP... Backed Stevenson, Kennedy, Johnson and McGovern...

Joseph Beirne, President of Communications Workers of America... Headed "Ethics" Committee of AFL-CIO that kicked out Teamsters in their anti-government days when they refused to knuckle under to government-imposed arbitration . . . Consistently refuses to organize large numbers of women telephone workers trapped in company unions in many large cities... Scuttled NYC phone strikers during '71 7-month walkout, refusing aid and getting rest of the country to settle, leaving NYC workers out by themselves..."Broke" with Meany over McGovern... Always sides with racists in CWA when they fight militant black workers seeking equality in union and on the job... His sellouts have helped make Ma Bell richest company in the world, with over $50 billion in assets...

Jerry Wurf, President of American Federation of State, County & Municipal Employees... Rose to head one of country's fastest-growing unions, by being ready to step over one and all to get there ...Had installed his brother as head of N.Y. State District Council 50 while he headed NYC District Council 37 ... In his more militant days hired a communist to edit D.C. 37 newspaper, hoping to use him in climb to presidency, but quickly fired him on orders of FBI... "Split" with Meany over McGovern...

Leon Davis, President of Local 1199, Drug & Hospital Employees... Head of fastest-growing union in hospital industry ...Started with militant hospital strike at Flower-Fifth Avenue in '62... PLP'ers who helped workers rout scabs were driven away...Got "credentials" from one month in jail after breaking anti-strike court injunction, but quickly sat down with Rockefeller (and avoided another six months) to agree to no-strike, "collective bargaining" law for NYC hospital workers in exchange for stopping strikes. (Rocky was very concerned about low-paid black and Latin hospital workers on picket lines setting militant example for millions of other oppressed workers in city)... Has rapidly sunk to one more stall and sellout after another... Recently dealt off thousands of members into Gotbaum's District Council 37 of AFSCME in exchange for Bronx hospital "jurisdiction"... Refuses to fight wage freeze (July 1, 1972 wage increase back pay still not in workers' paychecks... Recently made impassioned speech against endorsing 30 for 40 referendum... Said "would set back struggle 20 years"... Backed Stevenson, Kennedy, Johnson, McGovern...

PLP ANALYSIS

The inflationary burst helped produce a terrific upsurge in profits... fattened... by the markup of newly produced goods and by goods already in stock, while wage rates advanced more slowly... Corporate profits, before taxes, rose to an annual rate of $113 billion in the first quarter—a gain of $11.6 billion, the second biggest in history. So notes the N.Y. Times *(June 10) in an article on the economy, "Shaken by A Crisis of Confidence."*

Aren't such record profits good for the bosses making those profits? Well, yes—and no. The Times goes on to quote English economist John Maynard Keynes in explaining a capitalist's dilemma, threatened by the very goal—profits—that is his reason for existence:

Amidst the rapid fluctuations of his fortunes he himself loses his conservative instincts, and begins to think more of the large gains of the moment than of the lesser, but permanent, profits of normal business. The welfare of his enterprise in the relatively distant future weighs less with him than before, and thoughts are excited of a quick fortune and clearing out...

That in a nutshell reflects the economic "instincts" of two warring sections of the capitalist class—the older, controlling, established wing, represented by the Rockefeller, Wall Street banking. Eastern financial interests (the political liberals), and the newer interests of the Southwest and Far West, trying to challenge the main rulers, using

Nixon for all he is worth (the political conservatives). This is what Watergate is all about, as indicated in recent issues of CHALLENGE (May 21, June 14 and 28).

With the opening up of the vast markets of Russia and China for capitalist exploitation, large accumulations of capital are needed to carry it out. The "newer" money boys, not having such accumulations, rush pell-mell to get it, not caring what happens to the capitalists' system as a whole in the process ("the large gains of the moment"). Like the little boy who tries to eat all the cookies in the jar, not caring what upset may result, the Nixonites have tried to gorge themselves on absolutely limitless profits, with skyrocketing prices amid wage freezes.

Meanwhile, the Rockefeller-led liberal rulers, who already have the large accumulations of capital needed to take advantage of the exploitative potential in Moscow and Peking (Rockefeller's Chase Manhattan is busy setting up branches in those two capitols), see the "upset" in store for their system if they try to devour the whole "cookie jar" at once. They are very worried about "the welfare of their enterprise" threatened by Nixon's policies. They are content with a slower rate of growth to prevent the economy from blowing sky-high. What they fear most is a mass rebellion by the working class against the squeeze in which it is caught, rising prices alongside frozen wages. These rulers when ten million workers shut down that country.

Both groups of rulers agree on the oppression of the working class; after all, that's what keeps them in business. Both would join forces to put down any working-class uprising. But the Nixon, new-money conservatives, in their desperate quest for big capital, are forced to ignore the consequences more than the liberals, who already mainly control the system and want less risk of it going up in smoke. Therefore, the latter must be more concerned about what the workers will do in reaction to sharper exploitation.

This helps to explain Nixon's "love affair with labor," somewhat tarnished by Watergate, in which he attempted to get the labor misleaders of the Meany stripe on his side for a temporary, short-term advantage in warding off working-class reaction to his backers' policies. Similarly, the liberals see it as even more important to get organized labor on their side in their battle to stay on top and crush the challenge of the new-money conservatives (and help prevent mass working-class revolt).

This is what leads to the liberals' concentrated courting of many union "leaders" and their attempt to even bankroll insurgents in a battle to oust the Meany-type old guard. Consider the following:

• The Boyle mob was thrown out of the United Mine Workers, replaced by "insurgents" led by Arnold Miller. Miller's campaign was directed by Kennedy-liberal lawyer Joseph Rauh. The Miners for Democracy operated out of an office in a Foundation headed by Rauh and financed by such corporate conduits as the Carnegie Foundation. They got "contributions from such "lovers of labor" as Jay Rockefeller! (See CHALLENGE, Feb. 8, 1973.)

• The Miller-UMW crew has now moved to aid the campaign of James Morrissey in the National Maritime Union who is challenging the machine running the NMU, hand-picked by the retired Joe Curran. Curran ran the union like his private fiefdom and just took off with a million bucks as a "bonus."

• The Selden leadership of the American Federation of Teachers has already warned of a possible take-over of the national AFT by the Shanker forces. The issue? Selden is critical of Meany while Shanker wants to join forces with the old-guard. Selden looks for the liberals' support to stay in power, especially during an eventual merger with the National Education Association and a possible dues-paying teachers' union of well over a million (with millions more eligible).

• The United Farmworkers Union has received consistent backing from liberals like the Kennedys nearly since its inception. Right now Chavez' union is in a sharp battle against an alliance of the growers and Nixon's latest labor buddy, the Teamsters' Fitzsimmons. So naked is this union-busting gang-up that Meany has offered $1.6 million to Chavez, figuring he can win Chavez over to his side in the process. But the liberals refuse to be outdone and continue to back Chavez.

• Union "leaders" like Leonard Woodcock (United Auto Workers), Jerry Wurf (American Federation of State, County & Municipal Employees), Paul Jennings (International Union of Electrical Workers), Joseph Beirne (Communications Workers of America), Harry Bridges (International Longshoremen's and Warehousemen's Union), Leon Davis (Local 1199, Drug & Hospital Employees), Cleveland Robinson and Dave Livingston (Distributive Workers of America) all opposed Nixon in the last election, backing McGovern in most cases. Those still in the AFL-CIO "broke" with Meany over his "neutrality/support" for Nixon. Incidentally, most of these unions have large and/or growing numbers of black and Latin memberships, the workers hit hardest by the Nixon policies, the most likely to rebel against it first and give leadership to the whole rank-and-file of labor. This is exactly what the liberals are always worried about (and would not hesitate to put down most violently, as Johnson's reaction to the black rebellions of the mid-sixties and Rockefeller's "answer" to Attica demonstrate).

• A recent Conference of Black Trade Unionists in Washington, D.C. castigated Nixon, talked about using their "political muscle" and appeared to be a veiled attempt to back a Kennedy-for-President drive in '76. The leaders of this group are mainly from the unions mentioned above.

All this points to a battle shaping up in the labor movement between two groups of bosses' "labor lieutenants" vying for power, backed by respective sections of the ruling class. They all agree on fundamental point: keep the workers down and ripe for picking (profits for the bosses, and the "trickle-down" of cushy jobs for the labor piecards). The rank-and-file HAS ABSOLUTELY NO STAKE IN TAKING ONE SIDE OR THE OTHER.

The fact is the U.S. rulers' system is in a state of decline, if not yet collapsed. While the battle

rages between one section or another for the privilege of exploiting the working class, we must use the opportunity to mount an **offensive** against the whole system, and its labor flunkies. (Any rank and file member of the liberal unions cited can testify to the consistent sellouts put over by these labor fakers.) We, the rank and file, are the base of this whole system. We stop, the profits stop, and the Meanys and Woodcocks go into a frenzy. It is up to us to organize caucuses in all these unions, with the goal of throwing out the leeches on our backs and **taking power** in the unions.

In this battle, the Workers Action Movement should be looked to as an organization of workers from every section of the working class united to win 30 for 40—30 hours work for 40 hours pay with a big pay boost—as a way to **go on the offensive**